October 23, 1989

Copyright 1989 by Crain Communications Inc.

NEWSPAPER

********5-DIGIT 20814
020190949 01AA0089453 COMPAP2
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
BETHESDA MD 20814

Advertising Age

Crain's International Newspaper of Marketing · In Two Sections · Section 1 · $2.00 a copy

LAST MINUTE NEWS

P&G eyes Soviet Union

CINCINNATI—Procter & Gamble Vice Chairman Edwin Artzt, who will become chairman-ceo in January, said the company is negotiating a joint venture agreement in Moscow to manufacture and distribute products in the Soviet Union. He declined to name the partner. P&G already exports "substantial amounts" of product to the Soviet Union "to get our brands recognized and established," Mr. Artzt said.

Pru reviews 4

NEWARK, N.J.—Prudential Insurance Co. of America narrowed its $70 million account review to Grey Advertising; Lowe Marschalk; Scali, McCabe, Sloves; and incumbent Backer Spielvogel Bates, all New York. The company said it will take three to four months to make a final decision.

Suzuki taps Asher

BREA, Calif.—American Suzuki Motor Corp. named Asher/Gould, Los Angeles, for its $10 million-plus account (AA, Aug. 14, *et seq.*). Incumbent Keye/Donna/Pearlstein, Los Angeles, opted out after the review started last spring. Suzuki has strug-

(Continued on Page 8)

INSIDE

Ad Age editor of the year

Frances Lear knew nothing about magazines. She just knew there weren't any that spoke to her and other women outside the youth culture catered to by traditional women's magazines. So she started *Lear's*, "the magazine for the woman who wasn't born yesterday." It has become one of the biggest publishing successes of the decade. See Special Report.

Top honors ..... P. 6
Neil Comber receives *Ad Age's* Hispanic Marketing Executive of the Year award.

Advice from home ..... P. 39
Agency executives' spouses relay their tales from the home front.

AFTERSHOCKS

Bay area ad people digging out

By Alice Z. Cuneo and Cleveland Horton

SAN FRANCISCO—The advertising community in this shell-shocked city began putting the pieces back together late last week as it struggled to recover from the country's most severe earthquake since 1906.

Most of the physical damage suffered by the Bay area occurred in several isolated locations. But ad agencies, like most businesses here, watched their buildings sway and crack during the earthquake, which measured 6.9 on the Richter scale.

Possibly the most harrowing experience involving an agency executive happened to Foote, Cone & Belding Exec VP-General Manager Jack Balousek, who was in his car on the Bay Bridge when the earthquake struck—at 5:04 p.m. Oct. 17.

"I was on the suspension part of the bridge when the quake hit—about 15 to 18 cars from where the bridge collapsed," Mr. Balousek said.

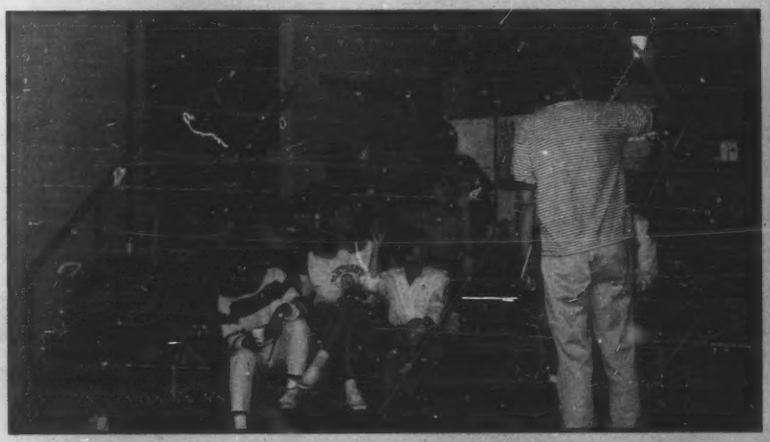
"I've driven over that bridge for 11 years, and it was the first time I had a ride like that," he said. "It was like a Disneyland ride. Not only was the bridge undulating up and down, but the sideways motion left and right made it very hard for me to keep my Jeep on the road. You had the sensation the bridge would go over on its side."

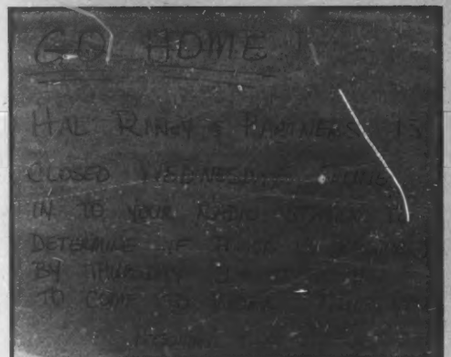
The traffic came to a halt. Before he could roll down his window to see what was happening ahead, people came running and screaming toward his car. "The bridge is collapsing," he heard some shout.

He left his car and ran to Treasure Island, a man-made island in the Bay, where a line of 100 people were waiting to use a pay telephone to contact their families. Eventually, Mr. Balousek hitchhiked back to San Francisco. The next day he picked up his Jeep at a city lot.

Peter Murphy, creative director at Hal

(Continued on Page 118)





Saatchi & Saatchi staffers (top) conduct business on the front steps while, at right, Rich Silverstein (l.) and Andy Berlin assess damage to their awards. A sign on the door at Hal Riney & Partners says it all.

Cleveland Horton

New magazine strategy

'Marketing partnerships' with advertisers planned

By Scott Donaton

Magazine publishers and ad agency executives at this week's annual American Magazine Conference are expected to push for "marketing partnerships" with advertisers to help curtail off-rate-card deals.

That could mean magazines will be engaging in more cross-promotions with advertisers, in the same spirit as the CBS/K mart Corp. and NBC/Sears, Roebuck & Co. promotions that heralded the fall TV season.

"Clients are looking for more help focusing their efforts," said Jim Guthrie, exec VP-marketing development for the Magazine Publishers of America, co-sponsor of the event in Naples, Fla. "The more they can focus on the quality they offer advertisers, the less necessary it is to get into discussions on rate."

The concept of marketing partnerships involves publishers providing advertisers with customized research, doing cross-promotions, jointly sponsoring events and publishing special, single-sponsor issues.

This is seen as a new twist on "added-value," in which publishers offered advertisers incentives such as tickets to sporting events, free radios and cruises.

"Tickets and TVs are just another way of cutting rates," said Jack Kliger, publisher of *Glamour*. "Marketing partnerships can either stop rate negotiation or become yet another word for it. I see them as something which, if genuinely pursued by all parties, can enhance the benefits to everyone."

Even Dale Lang, chairman of Lang Communications, is embracing the concept.

Mr. Lang rocked the magazine industry in 1986 when he announced that *McCall's*, of which he was publisher, would openly negotiate rates. Now he says rate negotiation is "destructive" and "weakens the product."

Marketing partnerships are a beginning, he said. "We should join the advertiser and

(Continued on Page 118)

'5th network' plan courts Fox affiliates

By Marcy Magiera

Paramount Communications and MCA will try to launch a fifth national TV programming network in early 1991 by using the affiliate system established by the young fourth network, Fox Broadcasting Co.

But Fox isn't likely to let that happen without a fight.

Paramount Domestic Television and MCA TV have approached several of Fox's 129 affiliates about their proposed fifth network, known as Premier Program Service, and are expected to contact more affiliates, a Fox spokesman said.

Paramount wouldn't comment; MCA didn't return phone calls.

Paramount and MCA apparently plan to launch Premier with a Wednesday movie night and a two-hour block on Friday night, with situation comedies as probable programming.

Fox programs only Saturday, Sunday and Monday nights, but hopes to eventually expand its schedule to seven nights a week.

While participation by Fox affiliates would be crucial for Premier to reach the 70% of the country needed to attract national advertisers, Fox will undoubtedly fight the plan.

Fox President-Chief Operating Officer Jamie Kellner last week issued a terse statement saying, "We believe the partnership of Fox Broadcasting Co., its affiliates and advertisers is succeeding and will continue to grow as we complete our agenda, which is to program seven nights of prime time each week."

Peter Chernin, president of Fox Broadcasting Entertainment Group, said in a recent interview with *Advertising Age* that Fox is considering adding a movie night to its schedule next spring and a fourth night of series programming in the fall.

"If they have deep enough pockets, it could become a viable alternative," said Arnold Chase, VP-director of network operations, Bozell, New York. "They have the films and the capacity to make new product."

"If they can get a head start on clearances on nights where Fox isn't ensconced, they could be marginally successful as part of a shared fourth network. But if Premiere goes head-to-head with Fox, there's only room for one additional network on a seven-night basis," Mr. Chase said.

Paramount and MCA last month formed Premier Advertiser Sales, which accounts for about $250 million in combined ad sales in the 1988-89 season, or one in every five ad dollars spent in last year's barter syndication market.

The joint venture is the fifth-largest broker of TV advertising, behind the Big 3 networks and Fox. Fox tripled its upfront sales for the 1989-90 season to $300 million (AA, July 3).

Paramount and MCA, parent of Universal Pictures, also are venture partners in cable's USA Network and an international video distribution company. □

Wayne Walley in New York contributed to this story.

Louis-Dreyfus a signal of future Saatchi sale?

By Laurel Wentz

LONDON—Some Saatchi & Saatchi Co. watchers are speculating that the hiring of Robert Louis-Dreyfus as chief executive could be a step toward the eventual sale of the holding company.

"Many of us believe that the Saatchis ultimately want to sell out, and that's why a new financial person was brought in," said a source within WPP Group.

"The key question is, who forced Mr. Louis-Dreyfus on the Saatchis?"

Maurice and Charles Saatchi have proclaimed their commitment to turning around the troubled company, and if cost-cutting and reorganization efforts are successful, that could make Saatchi an attractive buy, sources said.

In its press release announcing his appointment, Saatchi emphasized that Mr. Louis-Dreyfus improved U.S. research company IMS International's financial performance so much as its chief executive that it was sold to Dun & Bradstreet for $1.7 billion.

Even if he's not that successful at Saatchi, sources said, a sellout could be likely.

"The feeling is Maurice and Charles are fed up and can't stand the continued pain," said one Saatchi watcher. "If it is beyond repair, then they could look to a buyer who would let them exit with honor and dignity, keeping a salary and a title like life president or honorary chairman."

Some Saatchi observers are wondering whether the brothers are losing interest in the business.

One sign is that the Saatchis are making personal investments in small but acquisitive businesses. They acquired 30% of leisure group Ex-lands here in April and 25% of Commercial & Retail Investments, a private investment company owning 20% of a radio and optical components marketer, in September.

They also sold their 20.5% stake in an earlier investment, packaging company NMC, for a profit of about $16 million.

Maurice also backs theatrical plays and Charles, after years of building up one of the most extensive modern art collections, has in the past year sold about 70 works of art, estimated at 10% to 12% of his collection.

NEWS ANALYSIS

The sale apparently is the result of his divorce from Doris Saatchi, with whom he built the collection.

Charles Saatchi's current companion, Kay Hartenstein, is a U.S. magazine executive turned London art dealer who last year was awarded a 10 out of 10 "bikini rating" by Conde Nast's *British Tatler*.

Ms. Hartenstein, 37, formerly was with Conde Nast Publications in New York and London.

It's unclear whether the Saatchis are trying to squelch or foster speculation the company is for sale.

Immediately after Backer Spielvogel Bates Worldwide Chairman-CEO Carl Spielvogel publicized his latest offer to Charles to buy some or all of the Saatchi agency business, reports appeared in the U.S. and U.K. of possible plans for a Saatchi led management buyout.

Sunday Times Deputy Editor Ivan Fallon, semiofficial biographer of the Saatchis and author of "The Brothers," drew on his Saatchi sources last week to assure *Sunday Times* readers the Saatchis are convinced a hostile takeover is impossible.

The next day *The Wall Street Journal* also carried a Saatchi management-buyout story, citing a source close to the company.

The financial community, however, thinks a Saatchi-led management buyout is a hollow threat.

"I just do not believe it," one analyst said. "Everything points to a reduced financial commitment [by the Saatchis]."

The Saatchis have virtually no equity base from which to mount a buyback, another analyst said. They own only about 2.5% of the company, and Saatchi personnel own less than 5%.

Others are skeptical that the Saatchis secretly want out.

Interpublic Group of Cos. Chairman-CEO Phil Geier said, "I hope they straighten out the agency for the good of the industry. I don't think they are backing away from the agency business."

Last week, analysts for the fourth time slashed Saatchi's pretax profit forecasts for the fiscal year ended Sept. 30, to be reported in December.

Analysts lopped another $15 million to $30 million off pre-tax profits estimates, and most yearend forecasts now range from $80 million to $96 million. □

Due to the last-minute cancellation of an advertising insert, Pages 67 and 68 are missing from this issue.

IN THIS ISSUE

Vax cleans up: Vax vacuum sales soar with help from ads by W.B. Doner & Co. 12

Network revolt: Advertisers consider shifting out of network TV as price increases outpace inflation. ... 32

Free of charge: Advertisers hunt for media exposures to supplement paid ad campaigns. 36

Safety risks: Lawsuits are linking ad claims to a Continental Airlines crash. 58

Good times: Time Warner magazines, particularly *Fortune*, show strong ad performance in the latest PIB report. 104

Considerations 66
Editorials 66
Forum 69
Letters 70
Brady's Bunch 72
James Brady 76
The Next Trend 76
Joe Winski 76

Magazines
An interview with Frances Lear, magazine Editor of the Year for 1989; Ad Age's magazine picks and pans; and what makes the dreamers start their magazines.

Global Gallery 84

MEDIA

MediaWorks 94

PeopleWorks 100
People Moving 102
Photo Review 96

Energizer picks up its beat with a new commercial that combines a funky pink toy bunny and a hilarious element of surprise to lift consumers to unprecedented levels of interest.

U.S. NewsWatch 20
Corrections & Clarifications 70
Classified 108
Calendar 108
For the Record 115
Index to Advertisers 120

Contents copyright 1990 by Crain Communications Inc. All rights reserved.

Vol. 60, No. 46—ADVERTISING AGE (ISSN 0001-8899) is published weekly except combinedly the fourth week in March and the fourth week in September by Crain Communications Inc. at 740 Rush Street, Chicago, Ill. 60611-2590. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 965 E. Jefferson, Detroit, Mich. 48207. $2.00 a copy, $74 a year, $124 two years. Add $115 per year for air delivery to Europe & Middle East. Add $49 for surface mail to all other foreign countries. WILLIAM STRONG, VP-circulation; DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to Circulation Department, Advertising Age, 965 E. Jefferson, Detroit, Mich. 48207 1-800-992-9970. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, Ohio 44691. AD AGE is available for electronic retrieval on the NEXIS® Service, Mead Data Central, Inc., P.O. Box 933, Dayton, Ohio 45402 (800 227-4908).

ABP

'Fortune' laps 'Forbes' in latest PIB ranking

By Scott Donaton

Time Warner's surging *Fortune* magazine has moved ahead of arch-rival *Forbes* in ad linage, according to Publishers Information Bureau figures.

Fortune's ad pages rose 19.2% to 2,556.3 for the first nine months, compared with the same period last year, PIB figures show. The gain moves the business magazine into third place among all consumer magazines tracked by PIB.

Forbes' ad pages also rose during the period, to 2,371.7, for a 9.2% gain, while *Business Week's* reached 3,098.9, a 4.3% jump over the same period last year.

Overall, Time Warner's magazines continued to turn in strong ad performances through the first three quarters of 1989.

Aided in part by the success of "Max-Plan," Time Warner's discount ad package, *People* ranked second among all titles with 2,661.5 ad pages, a 6.3% jump.

Time's flagship magazine also continued its surge, carrying 1,850.8 ad pages, a 9.5% jump.

Rival newsweeklies weren't as strong. *Newsweek* was down 3.2% to 1,620.2, while *U.S. News & World Report* posted a modest 5.4% increase to 1,331.7.

Venture, the magazine for entrepreneurs, ceased publication after its ad pages for the first nine months plummeted 38.5% to 281.9.

TV Guide, whose ad pages had dipped 7.6% to 1,606.5 for the first six months of the year, rebounded during the summer. The magazine carried 2,413.4 pages through the first nine months, a 2.4% increase over the previous year.

Women's service magazines—the Seven Sisters—continued their comeback from last year's poor showing. *Family Circle*, showing new strength under Editor in Chief Jacqueline Leo, led the pack with 1,449.9 ad pages, an 11.6% increase.

All but one of the "Sisters" posted gains. *Redbook's* pages fell 2.1% to 867.8. *Woman's Day* carried 1,203.5 pages, an increase of 8.9%, and *Ladies' Home Journal's* pages jumped 18.6% to 1,123.7.

Increased competition among the women's fashion magazines kept growth slow in that category.

Leader *Vogue's* pages rose just 1.3% to 2,431.6. *Elle*, whose gains have slowed this year partially as a result of the launch of *Mirabella*, was flat with 1,596.9 pages, only a 0.4% gain. *Harper's Bazaar* was up 2.1% to 1,067.4 ad pages.

Among national Sunday magazines, *Parade* posted a 3.9% increase to 510.2 ad pages, while rival *USA Weekend's* pages rose 7.5% to 449.8. □

Magazine ad-page leaders

Publishers Information Bureau figures for January through September.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Business Week	3,098.93	4.3	170,351,741	15.0
2	People	2,661.55	6.3	228,898,707	13.9
3	Fortune	2,556.30	19.2	113,931,292	23.0
4	Vogue	2,431.58	1.3	72,028,003	16.7
5	TV Guide	2,413.41	2.4	239,339,838	7.3
6	Bride's	2,373.94	14.3	39,024,877	23.7
7	Forbes	2,371.72	9.2	97,141,208	20.9
8	New York Magazine	2,075.19	(0.4)	31,639,380	5.9
9	Sports Illustrated	2,070.21	(0.6)	232,571,151	2.2
10	Time	1,850.79	9.5	250,291,473	7.4
11	Modern Bride	1,835.82	14.2	28,337,306	25.2
12	Cosmopolitan	1,726.48	(0.5)	92,584,370	10.5
13	Economist	1,693.93	0.7	13,061,071	11.8
14	Newsweek	1,620.16	(3.2)	165,456,767	3.1
15	Elle	1,596.92	0.4	43,229,787	11.4
16	Gentlemen's Quarterly	1,581.41	6.1	34,995,128	17.1
17	New Yorker	1,473.13	(0.5)	33,455,692	6.7
18	Glamour	1,471.38	(6.0)	67,219,083	1.6
19	Family Circle	1,449.94	11.6	107,852,685	16.5
20	Rolling Stone	1,392.82	6.9	49,117,317	14.4
21	Entrepreneur	1,365.09	47.9	10,692,642	81.1
22	U.S. News & World Report	1,331.68	5.4	98,835,363	15.6
23	American Way	1,320.34	5.8	14,528,475	11.8
24	Yachting	1,260.62	(4.5)	7,637,132	(1.8)
25	Architectural Digest	1,253.43	0.3	31,149,194	10.1
26	Mademoiselle	1,239.22	(8.1)	36,504,887	(1.3)
27	Woman's Day	1,203.50	8.9	87,834,473	21.6
28	Muscle & Fitness	1,167.90	0.0	17,827,580	49.1
29	Good Housekeeping	1,151.95	4.3	101,172,504	12.7
30	Sunset	1,125.43	(3.4)	32,671,827	(4.1)
31	Ladies' Home Journal	1,123.68	18.6	72,709,090	25.1
32	W	1,102.05	6.9	22,082,112	15.1
33	Town & Country	1,086.38	(0.4)	23,129,583	11.8
34	Seventeen	1,078.97	(5.6)	31,096,221	0.6
35	Harper's Bazaar	1,067.40	2.1	26,006,742	10.5
36	Parents	1,063.14	10.7	41,793,116	19.6
37	Skin Diver	1,053.15	0.4	9,279,839	2.2
38	Golf Digest	1,046.70	5.2	50,423,925	15.8
39	Travel & Leisure	1,038.78	11.1	36,072,526	20.4
40	Better Homes & Gardens	1,023.49	0.7	108,902,116	2.0
41	Southern Living	1,003.93	(5.5)	46,124,528	2.1
42	Self	974.60	7.8	30,526,066	17.4
43	Vanity Fair	971.49	23.0	27,134,757	50.4
44	Golf	954.53	23.2	26,550,741	21.6
45	Car & Driver	950.88	3.1	38,141,510	16.4
46	Texas Monthly	948.46	6.5	10,437,385	9.7
47	Bicycling	947.26	(1.6)	11,240,827	19.0
48	Road & Track	913.56	4.5	28,577,869	21.2
49	San Francisco Focus	905.18	8.8	5,434,370	16.2
50	Esquire	893.36	14.0	25,600,830	25.8
51	Metropolitan Home	884.96	18.6	25,205,148	27.4
52	Money	882.64	(8.0)	53,324,660	(1.9)
53	Ebony	874.23	(1.9)	28,092,729	0.8
54	Redbook	867.81	(2.1)	52,629,526	5.1
55	Jet	841.33	(10.4)	13,243,829	(6.2)
56	Inc.	830.49	0.4	31,633,689	12.6
57	Gourmet	821.16	(3.1)	19,201,591	10.7
58	Working Woman	816.10	(0.5)	23,023,774	9.8
59	McCall's	815.71	19.0	54,679,810	29.6
60	Country Living	814.25	3.6	31,220,063	21.1
61	Hot Rod	813.39	(1.2)	18,054,350	15.7
62	Reader's Digest	772.38	(11.2)	79,061,145	(3.1)
63	Popular Photography	761.66	9.3	16,172,204	3.3
64	New Woman	752.89	0.7	17,539,527	13.5
65	Popular Science	749.34	26.9	20,739,852	30.6
66	Four Wheeler	748.43	(7.7)	5,510,938	4.1
67	Motor Trend	742.79	4.2	23,915,959	16.0
68	Outdoor Life	724.26	4.1	20,822,891	15.0
69	Smithsonian	718.74	(2.5)	30,101,806	7.7
70	Field & Stream	711.77	(4.9)	30,221,329	9.2
71	Bon Appetit	703.99	0.3	20,659,282	10.9
72	Popular Mechanics	692.09	(1.2)	21,979,081	9.9
73	Black Enterprise	686.32	2.6	8,360,616	5.4
74	Delta Sky	674.38	(3.8)	16,125,368	5.6
75	Essence	664.74	(5.1)	14,641,861	2.5
76	House & Garden	655.52	(17.4)	15,658,124	(6.0)
77	Bassmaster	651.08	(0.8)	11,159,730	4.7
78	Conde Nast Traveler	636.26	46.8	14,933,488	67.3
79	Tennis	633.28	(17.3)	14,169,067	2.4
80	Connoisseur	632.83	(8.3)	9,928,547	13.5
81	M-The Civilized Man	628.45	(4.7)	7,038,743	9.2
82	Working Mother	618.00	1.4	12,201,723	11.8
83	House Beautiful	584.72	(3.5)	19,582,829	8.0
84	Shape Magazine	581.89	(22.3)	8,605,880	(5.2)
85	Sports Afield	574.12	(16.6)	10,446,338	12.4
86	American Health	558.63	12.3	10,624,943	19.7
87	Southern Accents	553.11	(1.6)	5,045,470	7.8
88	Financial World	545.80	2.7	10,615,697	36.8
89	Playboy	541.17	11.8	33,057,294	16.8
90	Life	539.76	13.0	37,472,614	19.3
91	Yankee	535.18	(16.8)	5,909,714	(7.4)
92	US	533.04	16.7	15,751,788	40.8
93	Home	524.73	(4.0)	13,629,794	7.7
94	Premiere	523.53	39.1	7,609,680	118.7
95	National Journal	523.04	(16.6)	3,281,780	(13.3)
96	Food & Wine	519.97	17.7	11,680,421	35.0
97	1001 Home Ideas	513.26	2.5	13,383,062	17.1
98	California	513.23	(2.7)	6,850,271	4.8
99	Art & Antiques	512.07	1.4	2,712,780	2.9
100	Ski	510.52	12.3	8,406,404	18.0

Percent change is same period last year. January through September (000 omitted by PIB).
Source: Publishers Information Bureau

Create Logos on your Computer

Innovative system lets you create world-class logos and publication graphics with amazing speed. Call for free demo disk and VHS video.

1-800-648-LOGO
or (513) 421-1938

FREE: SAMPLES

FAST SERVICE
FREE DESIGN

GRAPHIC CALCULATOR COMPANY

Designing and manufacturing special slide rules, printed calculators and feature demonstrators for 49 years!

312/381-4480 • FAX: 312/381-5370
230 James Street, Barrington, Illinois 60010

AD AGE ON

If you're one of those ad people who zap the programs and watch the commercials, we have some good news for you.

Now there's a tv program about commercials. And every other important advertising topic. Best of all, you can watch the whole thing in five minutes.

It's Ad Age Reports, a fast, relevant bulletin on what's happening in the advertising world. Hosted by Bob Garfield, Ad Age editor and commercial critic, this daily dose of inside reporting gives you just what you need to stay one step ahead.

So zap into Financial News Network – the cable channel that brings business news and personal money management to over 32 million households – every weekday morning for Ad Age Reports.

We think you'll like it just as much as the commercials.

Monday, Wednesday and Friday: 8:29 am (ET)
Tuesday and Thursday: 7:53 am (ET)